



The background of the entire image is a close-up, slightly blurred view of the American flag. The stars and stripes are visible, with the blue field of stars on the left and the red and white stripes on the right. The flag appears to be waving or draped.

# 9/11/2001

## Remember

I Pledge Allegiance to  
the flag of the United  
States of America and  
to the Republic for  
which it stands, one  
Nation under God,  
indivisible, with  
liberty and justice for  
all.



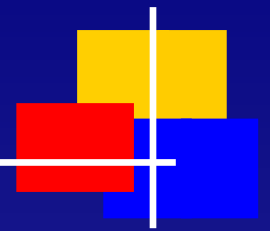
# **AFRC PROFESSIONAL DEVELOPMENT COURSE - Module 3a**

**July 2002**

**3**



# OBJECTIVES AND GOALS

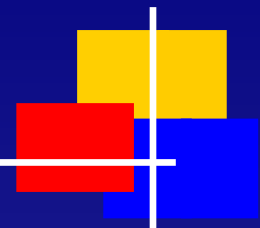


- **Five modules, Six hours each**
- **Objectives**
  - Better able to deal with SPO's and Contractors
  - Understand how contractors are trained
- **Goals**
  - Improve Communications
  - Understand the "Art" of Business Development
  - Pass on Nuggets of Experience and Expertise



# MODULES

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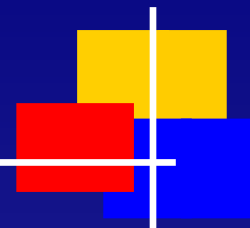


- **Module #1 - Long Range Planning (Business Plan)**
- **Module #2 - Program Identification & Qualification (Good investment decisions)**
- **Module #3a - Business Development - Documenting and Briefing Bid/No Bid Decisions**
- **Module # 3b - Proposals**
- **Module #4 - Managing the Operation or the Business**



# ADMINISTRATIVE DETAILS

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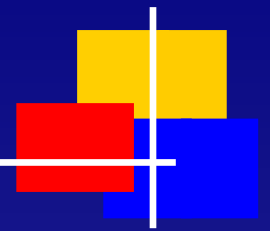


- **Breaks**
- **Lunch**
- **Phone Calls**
- **???**





# WHO ARE THE FACILITATORS

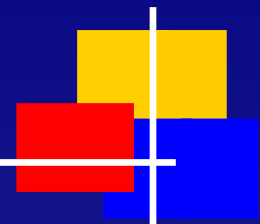


- **Paul Tofte**
- **Lee Puckett**
- **Larry Bogemann**
- **Chips Lanier**
- **Tom Bahan**





# Review and Overview

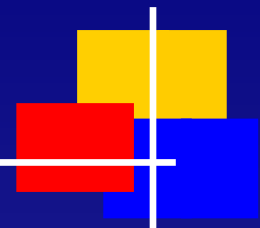


- Module 1
  - Long Range Planning where we discussed
    - Goals, Strategy, Products, Markets, Budgets
    - Kind of who we are, why we are, and how financial matters affect us
- Module 2
  - Finding program possibilities (program identification) and qualifying (program qualification) them for pursuing/bidding.
  - Gauging investments to make a profit
- Module 3a – Business Development (Prior to RFP release)
  - Qualifying and pursuing a program – document a program
  - Role playing – teaming - qualify sample program – brief bid/no bid



# Today's Tasks

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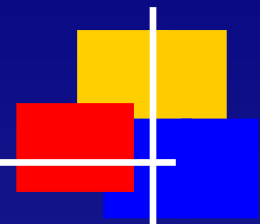


- Form Teams
- Miller Heiman Documentation
- Negotiations
- Teaming to Win
- Bid/No Bid Decision



# Specific Tasks

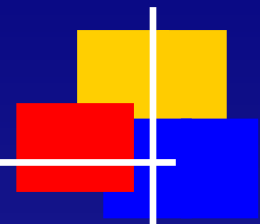
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- Gather program and competition information
- Fill out Miller Heiman sheets
- Decide on teammate
- Role play negotiations
- Briefing the decision



# Key Players



- Customers – Chips, Tom and Larry
- Potential teammates – Paul and Lee
- Marketing – Paul and Lee
- PESystems senior executive to take briefing – Col Speer
- PESystems 1 – Paul plus AFRC people and 1 small business person
- PESystems 2 – Lee plus AFRC people and 1 small business person



# Documenting the Prospect

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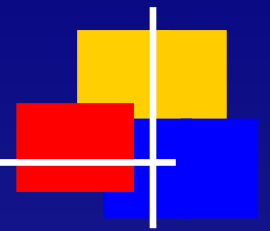


- Project Profile and Status Report
- Program Status
- Summary of Position
- Potential Actions
- Buying Influences
- Key Player Visits
- Analysis of Competition



# Project Profile and Status Report

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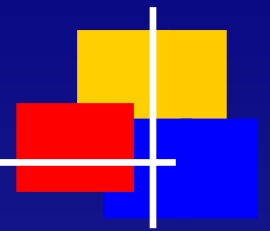


- Company tracking information
- Brief Description of program
- Estimated revenue by company FY
- High level milestone schedule



# Program Status

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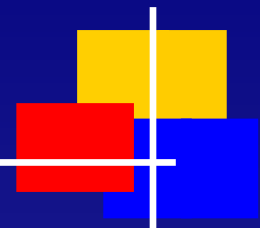


- Program description
- Summary of company tracking data
- Actions and contacts summary
- Win Strategy



# Summary of Position

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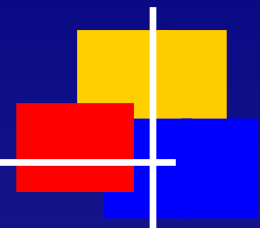


- Strengths
- Weaknesses
- Risks



# Potential Actions

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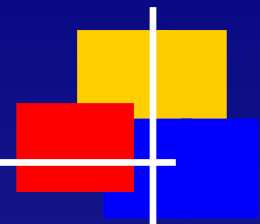


- How to capitalize on strengths
- How to reduce or eliminate weaknesses
- How to abate risks



# Buying Influences

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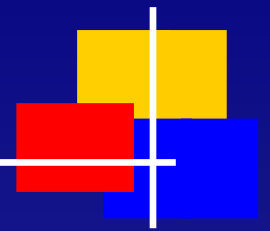


- List of customer buying influencers
- Name
- Problem or help or neutral
- How do they win
- How well have we covered them



# Key Player Visits

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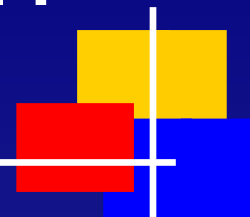


- Summary of visits to key players
- Who, what, where etc
- Should be lots of information here



# Getting the information from the customer

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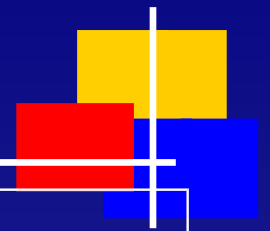
- Informal/Formal Intelligence Sources
- Classes of Marketing Intelligence
- Information Sources - The Customer

# Informal/Formal Intelligence

Formal <b>Sources</b>	<b>Bidder Lists</b> <b>Industry Days</b> <b>Electronic Bulletin Boards</b> <b>FedBizOps</b> <b>Service Organizations</b> <b>Service/Industry Information Centers</b> <b>Memos, News</b> <b>Announcements</b>	Government
Formal	<b>Library Sources</b> <b>Memos, News</b> <b>Announcements</b> <b>Professional Organizations</b> <b>Professional Symposia</b> <b>Market Research Companies</b> <b>Online Data Services - web site</b>	Private sector
Informal	<b>New Employees</b> <b>Former military or government</b> <b>Anyone with prior access</b>	Employees
Informal	<b>Peer Networks</b> <b>Professional Organizations</b> <b>Vendors</b> <b>Team members</b>	Competitors
Informal	<b>Social occasions</b> <b>Reviews</b> <b>Committees</b> <b>Reserve Officers</b> <b>Coaches</b>	Customers



# Classes of Marketing Intelligence

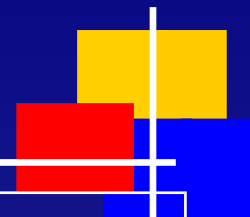


<u>Analytical</u>	<u>Implicit</u>
Rational	Irrational
Task data	Emotional
Economics	Personal goals
Organizational <ul style="list-style-type: none"><li>• Formal</li><li>• Informal</li></ul>	Internal politics
Technology	Personal favors
Policies	Ego
Norms	Influence

**The complete marketing picture can be fully understood  
only when all implicit information is also known**



# Information Sources - The Customer

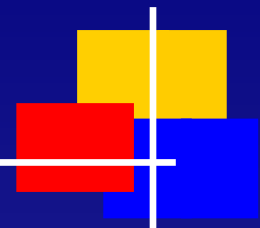


Attributes	Requires
Usually are multiple individuals and agencies	Know the process Know the players Talk to everyone
Has individual motivation	Learning each individual's motivation Articulating the problem as each person sees it
Has individual biases	Must debunk (or enforce) preconceived bias about us Must understand biases toward competitors
Has operating constraints	Learn extent of authority Learn who shares authority What risks will they take Who will counteract their influence and why



# Industry Day

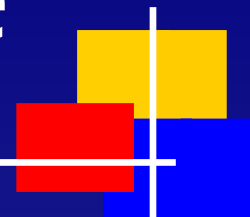
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- Program briefing
- User briefing
- Techie briefing
- Questions



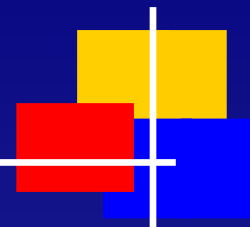
# Customer Intelligence



- Heard from competitor that 88<sup>th</sup> ABW wanted a local contractor for the follow on support. Incumbent contractor (QTSI) was not responsive.
- 88<sup>th</sup> ABW awarded a number of small 8(a) competitive contracts to local contractors (PESystems, CDO, OTS) to determine local 8(a) performance and to establish the existence of local capability.
- Current contract had reached ceiling and they used the 8(a) competitive awards to complete work that had to be accomplished.
- ASC/PK would not discuss the requirement



# Competitive Analysis

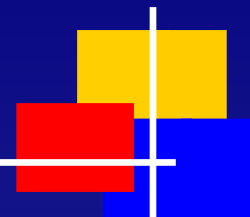


- New programs
  - Is it our area of work – meet our Business Plan
  - Why us
  - What will it take to win
  - What is our strategy
  - How long have we been involved with it



# Competitive Analysis

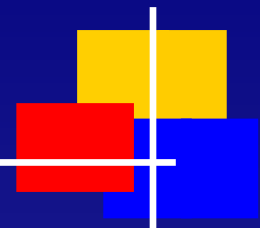
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- Can we unseat the incumbent
  - Their weaknesses
  - What has the customer told us about them
  - What do we know about their costs
  - Have they become complacent



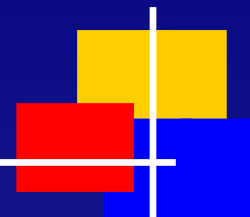
# Competitive Analysis



- Why would customer select us
  - Our strengths
  - What have we been told by the customer
  - Who have we corroborated customer info with
  - Are we really cost competitive – will we have to do anything out of the ordinary



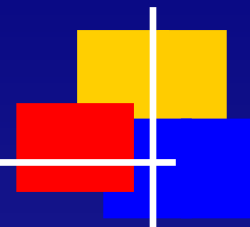
# Competitive Analysis



- Ghosts/Discriminators/Gotchas
  - What are the competitors trying to hide
  - What are we trying to counteract
- Is it cost or quality
  - How do we know – have we tested it
  - How do we make them think they get both



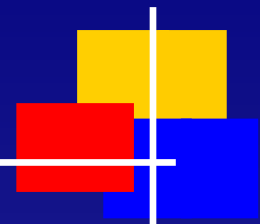
# Competitive Analysis



- Who decides
  - SSA
  - Key influencers
  - Who have we talked to in the influencers
- IR&D
  - Do we have anything
  - Have we shown the customer



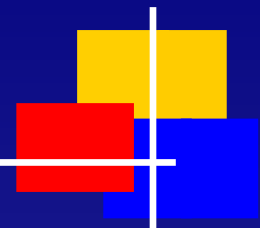
# Teaming to Win



- Business issues with teaming
  - D&B of potential teammates and your own company D&B
  - Small versus large businesses
  - Will we get paid
  - Are they a reputable company
  - Any past problems with them and our company – how to undo the past problems
  - Have we talked to the customer about “the team” – what did they say



# Teaming to win

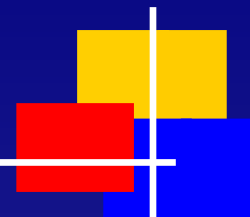


- Negotiating with teammates
  - What do we get
  - How are the shares communicated – technology or percentages
  - Who is in charge – who will write the proposal
  - What are the guarantees
  - Personality conflicts
  - First impressions
  - Financial arrangements



# Potential Competitors and Teammates

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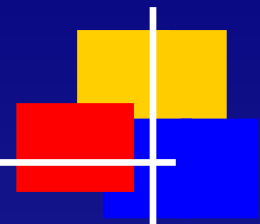


- Quality Telecommunication Services – Incumbent - QTSI
- Integrated Information Technology Corp – IITC
- CDO Technologies
- UCR
- OTS
- Globetech
- Tri-Star with Chapel Electric and CACI
- American Business Technologies, Inc – ABT
- Cetcon, Inc
- Advanced Technology Solutions - ATS
- Dynamic Research Corp - DRC



# Marketing Info on Each Company

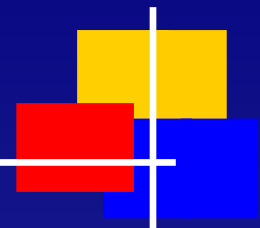
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- Location
- Web Site
- Financial Data
- Status
- Business Type
- Other Information



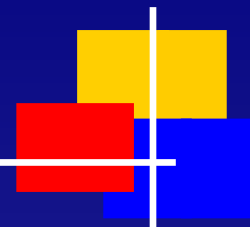
# Quality Telecommunication Services, Inc. (QTSI)



- Oxen Hill Maryland
- **Web Site:** [www.hqtsi.com](http://www.hqtsi.com)
- **Data:**
  - Established 1995
  - FY 2000 – 104 employees, \$7.4M Annual Gross Revenue
- **Status:** 8(a), SDB Entrance: 7/22/96      Exit 7/22/05
- **Business Type:** Services 100%  
Telecommunications/telephone Systems  
Consulting, design, acquisition, installation, maintenance & Operation; Fiber & Copper Cabling Systems  
Design, installation, maintenance & Testing; Installation Of Computer Telephony Integration Applications; Telephone Operator
- **Other Info:**              Incumbent Contractor



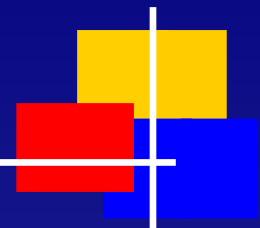
# Tri Star Engineering Inc.



- Bedford, IN
- **Web Site:** [www.star3.com](http://www.star3.com)
- **Data:**
  - Established 1995
  - FY 2001 – 140 employees, \$9.4M Annual Gross Revenue
- **Status:** 8(a), SDB Entrance: 5/29/97 Exit 5/29/06
- **Business Type:** Services 93%, R&D 5%, Manufacturing 2%  
Perform Engineering, technical, data Reduction & Analytical Support Services Including Engineering Investigations, field Data Analysis, reliability, maintainability, & Management Reporting For Navy Electronic Warfare Systems. Provide Operational & Analytical Support
- **Other Info:** No presence @WPAFB, HQ in IN, Offices in San Diego, CA and Arlington, VA



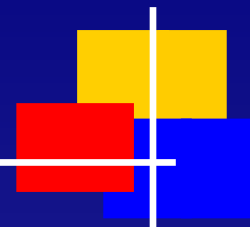
# GlobeTech Exchange



- Beavercreek, OH
- **Web Site:** [www.globe-tech.com](http://www.globe-tech.com)
- **Data:**
  - Established 1993
  - FY 2001 – 20 employees, \$1.3M Annual Gross Revenue
- **Status:** 8(a), SDB Entrance: 1/21/98 Exit 1/21/07
- **Business Type:** Services 100%  
Computer Consulting; Software Development; Software Consulting; EDI; Data Warehousing; Web Based Solutions; Information Assurance; Network Services; Functional Support (Professional Engineering Services, Logistics and Administrative Services).
- **Other Info:** WPAFB is only office.



# Office Technology Systems, Inc. (OTS)



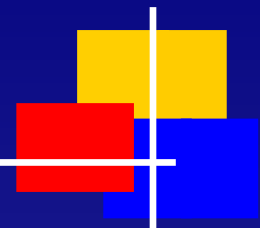
- Wheat Ridge, CO
- **Web Site:** [www.otshq.com](http://www.otshq.com)
- **Data:**
  - Established 1986
  - FY 2000 – 55 employees, \$6.0M Annual Gross Revenue
- **Status:** 8(a), SDB Entrance: 3/26/96 Exit 3/26/05
- **Business Type:** Services 100%

OTS is a provider of Information Technology services and products. Our four primary areas of business emphasis are: Information Exchange Solutions; Information Technology Support Services; Electronic Commerce and Electronic Conferencing.

- **Other Info:** Has a presence @ WPAFB, Won a Fiber Optic installation job with 88<sup>th</sup> Comm. Group



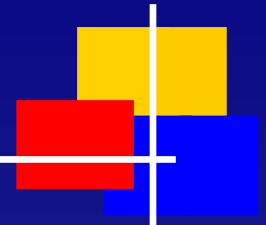
# UCR of Ohio Inc.



- Dayton, OH
- **Web Site:** [www.ucrnet.com](http://www.ucrnet.com)
- **Data:**
  - Established 1986
  - FY 2000 – 36 employees, \$8.2M Annual Gross Revenue
- **Status:** 8(a), SDB Entrance: 5/11/94 Exit 5/11/03
- **Business Type:** Services 75%, R&D 5%  
Manufacturing 20% Products: Personal Computers, Monitors, Printers, Networking Cards, Software. SERVICES: IT Professionals, PC/Printer Repair, Networks Design & Installation, Server Based Computing, Citrix Implementation, Software Development, DBA Administration.
- **Other Info:** Has a presence @ WPAFB



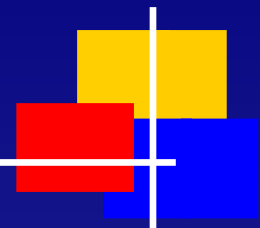
# CDO Technologies Inc



- Dayton, OH
- **Web Site:** [www.cdotech.com](http://www.cdotech.com)
- **Data:**
  - Established 1995
  - FY 2000 – 100 employees, \$6.9M Annual Gross Revenue
- **Status:** 8(a), SDB Entrance: 10/30/96 Exit 10/30/05
- **Business Type:** Services 100%  
Information Technology; Information Security; Computer Networks; Network Management; Network Design; Software Engineering; Programming; Communications; Telecommunications; System Engineering; System Administration; Bar Codes; Biometric Authentication, VTC
- **Other Info:** Has a presence @ WPAFB, Won a Fiber Optic installation job with 88<sup>th</sup> Comm. Group



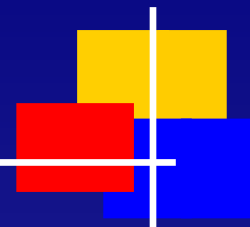
# IITC



- Denver, CO
- **Web Site:** [www.iitc.net](http://www.iitc.net)
- **Data:**
  - Established 1991
  - FY 2000 - 160 employees, \$17.0M Annual Gross Revenue
- **Status:** SDB      Entrance: 1993      Exit: Early 2002
- **Business Type:** Services 80%, R&D 10%, Manufacturing 10% Networking, Telecommunications, Satellite, Security, Engineering, Installation, Logistics, Technical and Customer support, Operation and Maintenance, IT Solutions, Business re-engineering, MCSE, MCP, Firewalls, WQAS-P, Environmental Management, ISO 14000
- **Other Info:**      Has a presence @ WPAFB



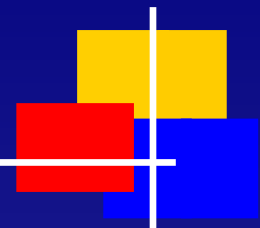
# Futron, Inc.



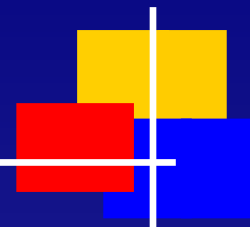
- High Point, NC
- **Web Site:** [www.futroninc.com](http://www.futroninc.com)
- **Data:**
  - Established 1994
  - FY 2001 - 45 employees, \$8.0M Annual Gross Revenue
- **Status:** 8(a), SDB Entrance: 4/02/96 Exit 4/02/05
- **Business Type:** Services 50%, R&D 10%, Manufacturing 10%, construction 30%. Design, engineer and install systems for (1) copper and fiber optic cabling, (2) information technology, (3) video conferencing, (4) telecommunication, (5) CCTV, (6) Construction (7) Router Switch (8) Satellite services (9) Wireless (10) Design Build
- **Other Info:** Has No presence @ WPAFB



# American Business Technologies (ABT)



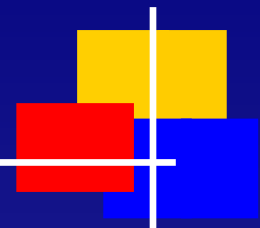
- Cincinnati, OH
- **Web Site:** [www.abustech.com](http://www.abustech.com)
- **Data:**
- **Status:** Commercial SB    Entrance:        Exit
- **Business Type:**    Services 100%  
National Technical Dispatch Services, Structured Cabling Systems Integration, Emergency Dispatch Services, Information Technology Staffing Services, Custom Software Development, and Residential Broadband Installation and Maintenance.
- **Other Info:**        Has no presence @ WPAFB but significant presence in the Dayton area including doing all the cabling in the Wright-Patt Credit Union Headquarters' Building.



- Andover, MA
- **Web Site:** www.drc.com
- **Data:**
- **Status:** Large Business    Entrance:                      Exit
- **Business Type:**    Services 100%  
Acquisition and Program Support, Logistics and Material Management, Knowledge Engineering, Engineering Services, Information Technology Services, Training Analysis & Delivery, and Modeling and Simulation.
- **Other Info:**                 Teaming partner with large presence at WPAFB.



# Advanced Technology Systems (ATS)



- McLean, VA
- **Web Site:** www.atsva.com
- **Data:**
- **Status:** Large Business    Entrance:                      Exit
- **Business Type:**    Services 100%

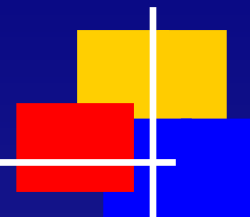
Web development, database management and data warehousing, imaging, workflow, and knowledge management, Enterprise Business Solutions, and IT Infrastructure Management.

- **Other Info:** Teaming partner with significant presence at WPAFB.



# Teaming Negotiations

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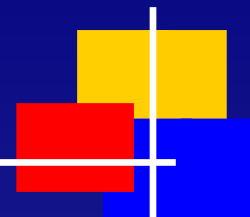


- Get a winning team without giving away the farm
- Win Strategy
- Getting buy in to win strategy
- Who are possible teammates?



# Things to think about in teaming negotiations

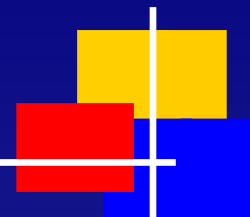
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- Has a make/buy decision been made
- Can prime/sub be trusted for out year bookings
- Will prime/sub sign a detailed teaming agreement
- Can future business with the sub be defined – Quid Pro Quo
- Are the prime and the sub well regarded with the customer
- Are the teammates logical and complimentary
- Do both the prime and the sub have proposal competence
- Does the program satisfy both companies' financial goals



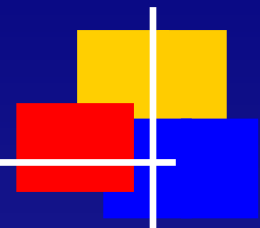
# Things to think about in teaming negotiations



- Does it makes business sense to get a sub
- How is probability of win increased with the team
- Have we talked to the customer about potential subs
- Does the sub have any hidden agendas
- Have potential sub met company executives
- Does the prime have a program manager that has the skills and experience for this job
- Does the sub win strategy match ours
- Are the teammates committed
- Do both companies have require facilities etc in place
- Has work been allocated by detailed percentages



# Break

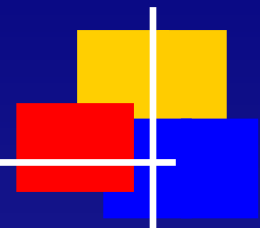


- 
- Break Time



# Teaming Negotiations

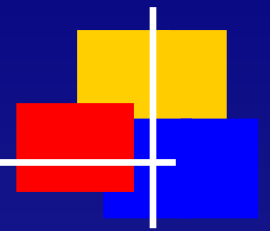
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- PESystems
  - Larry
  - Chips
- ABT
  - Tony – CEO
  - Phil – Director of Ops



# Bid/No Bid

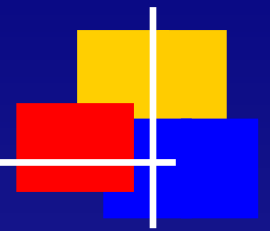


- Can we win it
- Can we afford to bid
- Do we have a winning team
  - Prime
  - Sub
- Have we sold it internally
- Briefing
  - Program description
  - Revenue projections
  - B&P estimate
  - “Winnability” assessment



# Total Cost of Bidding

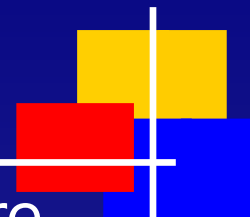
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- Loss of Overhead
- Loss of G&A
- Loss of Profit
- Executive Time
- Administrative Time



# Winnable – Competitor Analysis



- Who will bid
  - Prime
  - Teammate
- Their discriminators
  - Price
  - Experience
  - Technology
  - Geography
  - Customer Relations
  - Size
- How committed are they
  - Contacts with customer
  - Frequency of visits
  - Customer perception
  - Personnel assigned
- What will be their win strategy
  - How will they respond to our effort
  - How should we react to them

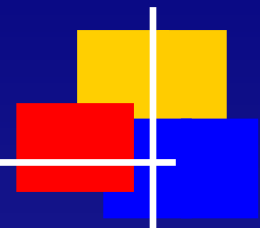
# Winnable – Devising Competitor Strategies

Gain Market Awareness	<ul style="list-style-type: none"> <li>• Primarily from customers and industry                             <ul style="list-style-type: none"> <li>■ Who is competing</li> <li>■ Rank order of threat</li> </ul> </li> </ul>
Build Competitor Profile	<ul style="list-style-type: none"> <li>• Tap existing data</li> <li>• Collect Intelligence                             <ul style="list-style-type: none"> <li>■ Marketing</li> <li>■ Ex-employees</li> <li>■ Outside friends</li> <li>■ Freedom of information</li> </ul> </li> </ul>
Determine Competitor Strategy	<ul style="list-style-type: none"> <li>• Form “black team”                             <ul style="list-style-type: none"> <li>■ Ex-employees</li> <li>■ Game us versus them</li> <li>■ Prepare and brief plan</li> <li>■ Always look for the unexpected</li> <li>■ How badly do they want to win</li> </ul> </li> </ul>
Prepare Response	<ul style="list-style-type: none"> <li>• Ghosts</li> <li>• Teaming</li> <li>• Sell alternate concept</li> <li>• Pricing</li> <li>• Customer Visits</li> </ul>

Iterate until confident of solution



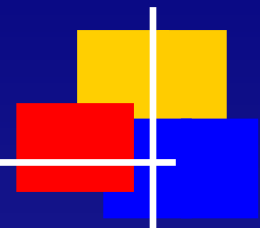
# Winnable – Why?



- Win strategy - Can we win
  - Teaming
  - Do we have a solution
  - How complete is the solution
  - Do we need an insider? Do we have one?
  - Have we told the customer – what do they think – is it a solution they want – how do we know
  - What are our cost objectives – can we win with those costs – is someone going to buy in?
  - How many people in the customer organization have we talked to and what do they think
  - How do we stand out in the crowd - discriminators



# Winnable – Why?

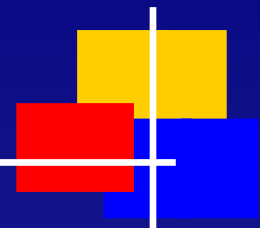


- Is it wired – for who
- Can we unseat the incumbent – why
  - What is the chink in their armor
  - What are the ghosts we can use
  - Who has said they aren't happy with them – why – how much influence do they have



# Communication

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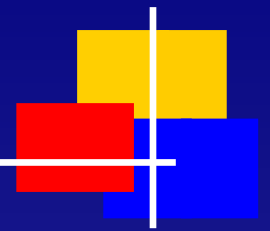


- Informal and formal
- Pre-RFP with customer
- Bid/No Bid briefings to management
- B&P briefings and memos
- Internal teaming – Teaming Agreements



# Tasks

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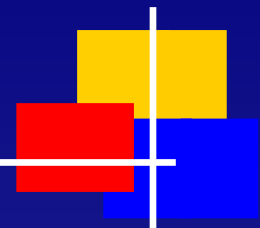


- Complete Miller Heiman Sheets
- Develop Bid/No Bid Decision
- Brief Decision



# Col Speer Debrief

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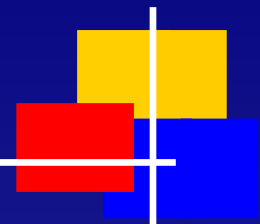


- Team Briefings
- Course debrief
- Other comments



# Changing Decision

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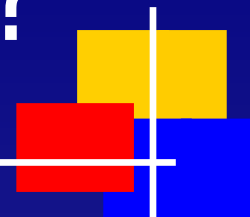


- What changes to the information gathered would have changed your bid/no bid decision?



# What really happened?

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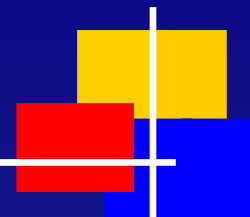


- FOCIS Proposal Requirements
- Statement Of Work
- Section M - Evaluation Factors
- FOCIS Debriefing
- PESystems Comments
- What do we think about the Evaluation?



# FOCIS Proposal Requirements

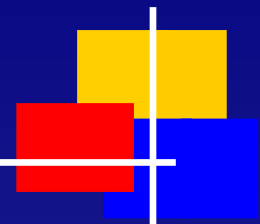
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- VOL I - Price Proposal
- VOL II - Relevant Past & Present Performance
  - To be used for Evaluation



# Statement Of Work

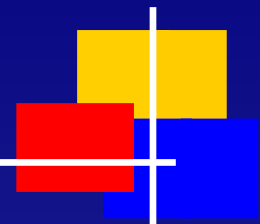


- Objective
  - The central focus of this contract shall be to provide management, engineering, installation, upgrading, rerouting, terminating, testing and removal of computer/communications infrastructure at WPAFB, OH, as identified in the individual task orders. The purpose of the contract will be for, but not limited to:
    - Inter-building work – installation, upgrading, rerouting, terminating, testing, and removal of copper cable and fiber running through the manhole/handhole and duct system.
    - Intra-building – copper cable termination, acceptance, inspection and testing, fiber optic cable termination, cable acceptance, inspection and documentation.



# Statement Of Work

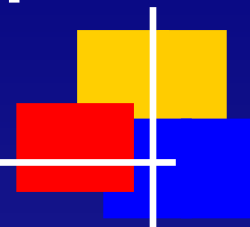
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- Tasks
  - Furnish, Install, and Test
  - System Implementation
  - Implementation Testing
  - Service Outages
  - Restoration of Govt Property
  - As-built drawings
  - Project Status



# Section M – Evaluation Factors

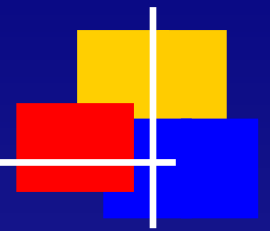


- Cost – Best Value
  - Ranked according to Price
  - Evaluated for Realism
- Past Performance
  - Sought on lowest priced offerors – usually lowest 5 to 7
  - Used to assess offeror's ability to perform the effort
  - Results in an overall confidence rating of exceptional, very good, satisfactory, none, marginal, or unsatisfactory
- Evaluation Methodology
  - Government intends to award to contracts with a Task Order concurrent with contract award.
  - Government may conduct a Pre-award survey. The results evaluated to determine capability to meet the requirements.



# FOCIS Debriefing

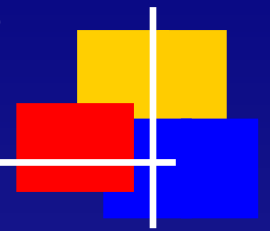
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- Customer Debrief Summary



# PESystems Comments

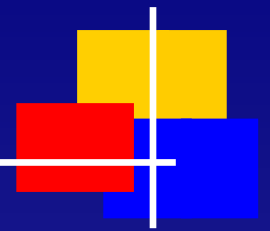


- Proposal submitted 26 Oct 2001 -- Contract award 12 April 2002 (almost 6 months)
- SS Decision Document -- SS technique used was Performance Price Tradeoff because it provided for a best value decision by allowing a tradeoff of performance against price as a basis for contract award.



# What do we think about the Evaluation?

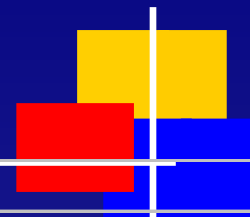
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- Established SS Criteria after the fact
- Never informed the offerors of the criteria
- Sought the answers to their post-submission criteria from the questionnaire responses received.
- Did not apply their criteria evaluation in an equitable manner.



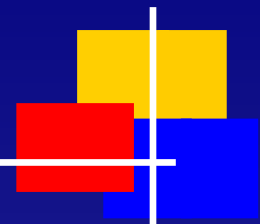
# Was the Evaluation Equitable?



Company	Overall Rating				
Bid	Cost	Managemen	Quality	Technical	Technical Weakness
<b>PESystems, Inc.</b>	<b>Little Confidence/ Marginal</b>				Did not demonstrate ability to install outside copper.
					Did not relocate existing racks, patch panels, LIUs, infrastructure and equipment
\$620,220.04	Confidence/	Confidence/	Confidence/	Little Confidence/	
	Satisfactory	Satisfactory	Satisfactory	Marginal	
<b>Futron Inc.</b>	<b>Significant Confidence/ Very Good</b>				Was not given credit for inside fiber installation - could not be determined from customer feedback
					Did not splice copper cable greater than 600 pair, splice fiber optic cable, or relocate existing racks, patch panels, etc.
	Confidence/	High Confidence/	Significant Confidence/	Confidence/	
<b>IITC</b>	Satisfactory	Exceptional	Very Good	Satisfactory	
	<b>Significant Confidence/ Very Good</b>				No quantities of outside copper or LAN were mentioned
					Did not splice either copper or fiber optic cable
\$732,446.85					
	High Confidence/	High Confidence/	High Confidence/	Confidence/	
	Exceptional	Exceptional	Exceptional	Satisfactory	



# Result



- Two protests were rejected:
  - Government determined that there was no basis for the protests.
  - We did not protest as others were protesting and as lowest cost we would gain the advantage without spending anything